



Education
Funding
Agency

Estimating your academy funding allocation

A guide for schools opening as academies

January 2017

Contents

| | |
|--|----|
| Introduction | 3 |
| General annual grant (GAG) – mainstream academies | 3 |
| Funding outside the GAG | 3 |
| Risk protection arrangement (RPA) | 4 |
| Funding for new academies opening before 1 April 2016 | 5 |
| Estimating your pre-16 school budget share | 5 |
| Estimating your education services grant (ESG) | 6 |
| Estimating your sixth form funding | 6 |
| Estimating your high needs place funding for special units in mainstream schools | 7 |
| Estimating your start-up grant | 8 |
| General annual grant (GAG) – special and alternative provision academies | 10 |
| Estimating your high needs place funding for special schools and alternative provision academies | 10 |
| Estimating your education services grant (ESG) | 11 |
| Estimating your start-up grant | 11 |
| Funding for new academies opening from 1 April 2017 | 12 |
| Estimating your pre-16 school budget share (SBS) | 12 |
| Estimating your other GAG funding | 13 |
| Annex 1 | 14 |

Introduction

Before a school opens as an academy, Education Funding Agency (EFA) provides details of their revenue funding, known as the general annual grant (GAG), in a draft funding allocation pack (FAP). This document explains how to estimate your GAG before receiving your draft FAP. It includes links to online data and has examples for each of the main elements of the GAG.

This guide is for schools converting to become academies and schools becoming sponsored academies between 1 September 2016 and 31 August 2017. For free schools studio schools and UTCs, we have published financial templates on GOV.UK to allow you to calculate indicative allocations based on information about your school:

- [free schools, including special and AP free schools](#)
- [UTCs](#)
- [studio schools](#)

General annual grant (GAG) – mainstream academies

GAG is revenue funding and is used by academies to meet their day-to-day running costs.

The two main elements are:

- pre-16 school budget share (SBS)
- education services grant (ESG)

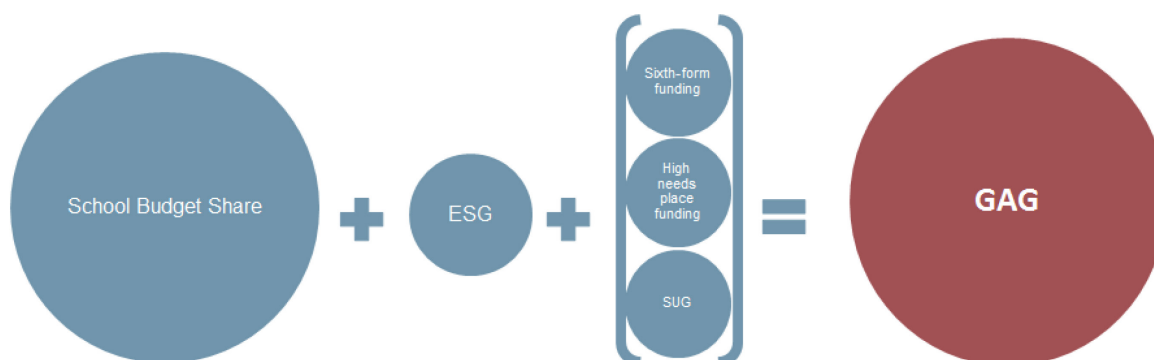


Figure 1: general annual grant calculation 2016 to 2017

Funding outside the GAG

As an academy you will receive other revenue funding that is not included as part of your GAG. This might include:

- [early years funding](#) - paid by the local authority (LA) to academies with a nursery class through the early years single funding formula (EYSFF)

- national non domestic rates (NNDR) - paid on receipt of a claim made using an [online form](#) in a single amount outside of the SBS
- [pupil premium](#) - paid in instalments by EFA
- [PE and sport premium for primary schools](#) - paid by EFA in the autumn term
- [UIFSM](#) – paid in instalments by EFA to academies with infant classes
- high needs top-up funding - paid by the LA where required. Information about the process for the 2016 to 2017 academic year high needs place funding arrangements can be found in [high needs funding arrangements 2016 to 2017](#)

In addition you may also receive [capital funding](#) from EFA.

Risk protection arrangement (RPA)

The [risk protection arrangement \(RPA\)](#) is an alternative to commercial insurance for academy trusts. Under RPA, the UK government covers the losses instead of commercial insurance. Schools converting to academy status that wish to join RPA should inform their DfE contact who will arrange this with EFA. The cost of joining the scheme is £20 per pupil, per year.

If you opt in, RPA is not shown on your GAG statement as it does not affect your allocation, but it does affect the amount you will receive on a monthly basis. If you opt into RPA after the allocation was published you will not receive an adjusted GAG statement, but your monthly pay schedule will be reissued.

Funding for new academies opening before 1 April 2017

The SBS for the 2016 to 2017 academic year will be the same as your predecessor school for the 2016 to 2017 financial year.

Funding is prorated until the end of the academic year, 31 August 2017. It does not include funding for rates, insurance and early years funding that your LA would have paid.

Estimating your pre-16 school budget share

You can estimate your SBS by calculating a daily schools block allocation and multiplying it by the number of remaining days in the 2016 to 2017 academic year. To illustrate for a school that converted on 1 January 2017:

1. Open the 2016 to 2017 funding for [schools and academies and provider level](#) file.
2. Select the row for the predecessor school, checking the local authority name (column B), LA estab number (column E) and school name (column F).

| A | B | C | D | E | F | AA |
|---------|------------|-------|-----|---------|----------------|---|
| LA_Code | LA_Name | UPIN | URN | LAESTAB | School Name | Total Schools Block Allocation (Post MFG) |
| 999 | Example LA | 99999 | 0 | 9999999 | Example school | 2000000 |

Table 1: a section of the 2016 to 2017 funding for schools and academies table

3. Calculate the prorated allocation using the following method:

| Factor | Calculation | Description |
|---|------------------------------------|---|
| Total schools block allocation (post MFG) | £2,000,000 | This is taken from figure 2 (column AA) |
| SBS daily amount | £2,000,000 / 365 = £5,479.45 | This is the yearly SBS amount divided by the number of days in the year (365 days) |
| SBS prorated amount | £5,479.45 x 243 = £1,331,506.35 | This is the SBS daily amount multiplied by the number of days the school is open for (1 January 2017 to the end of the 2016 to 2017 academic year, 31 |

| Factor | Calculation | Description |
|--------|-------------|--|
| | | August 2017). See annex 1 for more information on the number of days used in this calculation. |

Table 2: the steps to calculate the pre-16 school budget share estimate

Estimating your education services grant (ESG)

For the 2016 to 2017 academic year, academies are paid ESG at a rate of £77 per pupil.

You can estimate your ESG by calculating a daily ESG allocation and multiplying the number of remaining days in the 2016 to 2017 academic year. For example, consider a school with 763 full time equivalent nursery to year 13 pupils that converted on 1 January 2017:

| Factor | Calculation | Description |
|-------------------------|-----------------------------------|--|
| Total ESG allocation | $763 \times £77 = £58,751$ | This is the number of full time equivalent nursery to year 13 pupils multiplied by the basic rate. |
| ESG per day | $£58,751 / 365 = £160.96$ | ESG paid per day can be calculated by dividing the yearly ESG amount by the number of days in the year. |
| Prorated ESG allocation | $£160.96 \times 243 = £39,113.28$ | As the school converts on 1 January 2017 they will be open for 243 days of the academic year. Multiply this by the ESG per day rate. |

Table 3: the steps to calculate the ESG funding estimate

Estimating your sixth form funding

You can estimate your sixth form funding by calculating a daily allocation and multiplying the number of remaining days in the 2016 to 2017 academic year. To illustrate, for a school that opened on 1 January 2017:

1. Open the [16 to 19 allocation data: 2016 to 2017 academic year](#) file.
2. Select the row for the predecessor school, checking the local authority (column C) and institution name (column E).

| A | B | C | D | E | F | T |
|--------|--|--------|--------------------|-----------|------------------------------|---|
| | 16 to 19 allocations: 2016 to 2017 academic year | | | | | |
| Region | Local Authority (LA) | LA No. | Institution Name | Category | Total Funding Allocation (£) | |
| EX | Example LA | | 999 Example school | Academies | 500,000 | |

Table 4: a section of the 16 to 19 allocation data file for the 2016 to 2017 academic year

3. Calculate the prorated allocation using the following method:

| Factor | Calculation | Description |
|------------------------------------|--------------------------------------|---|
| Total Funding Allocation | £500,000 | This is taken from figure 2 (column T). |
| Sixth-form funding per day amount | $£500,000 / 365 = £1,369.86$ | This is the total funding allocation divided by the number of days in the year (365 days). |
| Sixth-form funding prorated amount | $£1,369.86 \times 243 = £332,875.98$ | This is the sixth-form funding per day amount multiplied by the number of days the school is open for (1 January 2017 to the end of the 2016 to 2017 academic year, 31 August 2017). See annex 1 for more information on the number of days used in this calculation. |

Table 5: the steps to calculate the sixth form funding estimate

Estimating your high needs place funding for special units in mainstream schools

Special units in mainstream schools receive high needs place funding. High needs places are funded at £10,000 per place for the 2016 to 2017 academic year.

You can estimate your high needs place funding by calculating a daily allocation and multiplying the number of remaining days in the 2016 to 2017 academic year. To illustrate, for a mainstream school with 20 high needs places that converts on 1 February 2017:

| Factor | Calculation | Description |
|------------------------------------|------------------------------------|--|
| Total high needs funding allocated | $20 \times £10,000 = £200,000$ | The number of high needs places multiplied by the rate per place. |
| High needs place funding per day | $£200,000/365 = £547.95$ | The yearly high needs funding allocation divided by the number of days in the year. |
| Prorated high needs place funding | $212 \times £547.95 = £116,165.40$ | This is the high needs funding per day amount multiplied by the number of days the school is open for (1 February 2017 to the end of the 2016 to 2017 academic year, 31 August 2017). See annex 1 for more information on the number of days used in this calculation. |

Table 6: the steps to calculate a high needs funding estimate

Estimating your start-up grant

Start-up grants (SUG) are only paid for full sponsored academies opening with numbers on roll (NOR) less than 90% of capacity. The minimum value threshold is £10,000. The maximum values are:

- primary: £50,000
- small secondary, capacity up to 250 pupils: £60,100
- medium secondary, capacity 251-999 pupils: between £60,100 and £80,200
- large secondary, capacity of 1,000 or more pupils: £80,200

You can estimate your SUG by using the [sponsored academy funding: ready reckoner](#) using the following instructions:

1. Open the sponsored academy funding: ready reckoner
2. Enter your school capacity in cell D13
3. Enter the number of pupils on roll (NOR) in cell D14
4. An indicative allocation will show in cell D26.

| Section A: School size and capacity | | | |
|-------------------------------------|---------------------------------|---------|--|
| A | School capacity | 1,000 | Please enter school capacity as provided by Local Authority (LA) |
| B | Number on Roll (NOR) first year | 750 | Please enter NOR based on pupil census data or sponsor provided forecast data. |
| C | Capacity (%) | 75% | Capacity (C) = B/A (rounded to the nearest whole percentage) |
| D | Percentage points below 90% | 15 | Percentage points below 90% (D) = 90% - C (this will be limited to a maximum of 20%) |
| Section B: INDICATIVE allocation | | | |
| E | Maximum amount (£) | £80,200 | Maximum amount based on school size (rounded to nearest £100) See notes below. |
| F | £ per % below 90% | £4,000 | Proportional amount of grant per percentage point below 90% (F) = (E/20) (rounded to nearest £100) |
| G | Indicative allocation (£) | £60,000 | Indicative allocation (G) = F*D |

Table 7: section of the sponsored academy funding: ready reckoner

General annual grant (GAG) – special and alternative provision academies

The two principle elements of funding are:

- high needs place funding
- education services grant (ESG)

Estimating your high needs place funding for special schools and alternative provision academies

Special schools and alternative provision (AP) academies receive high needs place funding. In the 2016 to 2017 academic year we will use the figures published in [high needs allocated place numbers](#) to calculate this place funding.

Special academies and post-16 provision are funded for pre- and post- 16 provision on the same place funded basis.

High needs places are funded for the 2016 to 2017 academic year as follows:

- £10,000 per special place
- £10,000 per alternative provision pre-16 place

Post-16 learners at AP academies will be funded according to the national 16-19 funding methodology.

Element 3 “top-up” funding should continue to be provided by your LA at the rate agreed prior to conversion.

More information on [high needs funding arrangements for 2016 to 2017](#) is available.

You can estimate your high needs place funding by calculating a daily allocation and multiplying the number of remaining days in the 2016 to 2017 academic year. To illustrate, a special school with 40 high needs places that converted on 1 February 2017:

| Factor | Calculation | Description |
|------------------------------------|--------------------------------|---|
| Total high needs funding allocated | $40 \times £10,000 = £400,000$ | The number of high needs places multiplied by the rate per place. |
| High needs place funding per day | $£400,000/365 = £1095.89$ | The yearly high needs funding allocation divided by the number of days in the year. |

| Factor | Calculation | Description |
|-----------------------------------|---|--|
| Prorated high needs place funding | $\text{£}1095.89 \times 212 = \text{£}232,328.68$ | This is the high needs funding per day amount multiplied by the number of days the school is open for (1 February 2017 to the end of the 2016 to 2017 academic year, 31 August 2017). See annex 1 for more information on the number of days used in this calculation. |

Table 8: the steps to calculate the high needs funding estimate

Estimating your education services grant (ESG)

ESG is allocated on a simple per place basis. It is payable for the total number of places up to year 14. The place number is derived in the same way as for your high needs place funding.

In academic year 2016 to 2017:

- each special place is funded at £327.25
- each alternative provision (AP) place is funded at £288.75 per place
- post-16 learners at an AP academy will be paid ESG at the mainstream rate (£77 per learner)

The calculation for ESG will be the same as for mainstream academies, [outlined above](#).

Estimating your start-up grant

Start-up grant (SUG) is paid to full sponsored academies only. Special and AP academies with up to 100 places receive a flat rate allocation of £25,000 in the first year of opening. Special and AP academies with 100 or more places would be allocated £25,000 plus £250 per place over 100 places.

The flat rate grants are paid in the first academic year of opening only: 50% in month one, 25% in year two and 25% in month three.

Special and AP academies do not receive a formulaic allocation for leadership capacity as their GAG is allocated per place rather than per pupil. This already takes account of staff diseconomies of scale, recognising that pupil numbers in such provision can fluctuate widely throughout the year.

Funding for new academies opening from 1 April 2017

The 2017 to 2018 financial year LA funding formula will form the basis of the SBS until the end of August 2018.

ESG, sixth form funding, high needs place funding and start-up grants are all based on the 2016 to 2017 academic year rates.

Academies will receive new allocations from September 2017.

From September 2017 the ESG general funding rate will be removed. Schools which convert to academies between April and August 2017 will receive ESG funding at the current rate of £77 per pupil prorated to the number of days open as an academy in the 2016 to 2017 academic year (post-16 elements are prorated by number of months they are an academy). From September 2017 they will also be eligible for ESG protection to protect against significant budget reductions as a result of the removal of the ESG general funding rate.

You can find more about the ESG protection thresholds in [academies revenue funding allocations](#).

| | April 2017 to August 2017 | September 2017 to April 2018 |
|--------------------|--|------------------------------|
| Pre-16 SBS | 2017 to 2018 financial year LA funding formula | |
| ESG | 2016 to 2017 academic year | 2017 to 2018 academic year |
| Sixth form funding | 2016 to 2017 academic year | 2017 to 2018 academic year |
| High needs | 2016 to 2017 academic year | 2017 to 2018 academic year |

Table 9: funding factor timeline

Estimating your pre-16 school budget share (SBS)

Your pre-16 SBS is the same amount that the LA allocated to your maintained predecessor, excluding rates, insurance and early years funding.

To estimate your funding as an academy use the 2017 to 2018 financial year funding statement that the LA will send to your predecessor school in February 2017.

Proportion the SBS by dividing this figure by 365 (the number of days in 2017 to 2018) to give a per day amount and then multiply this by the number of days from the academy opening date until the end of the 2016 to 2017 academic year, 31 August 2017. See Appendix 1 for more information on the number of days used in this calculation.

You can estimate your SBS by calculating a daily allocation and multiplying the number of remaining days in the 2016 to 2017 academic year. To illustrate, for a school that opens on 1 June 2017:

| Factor | Calculation | Description |
|---|--|---|
| Pre-16 SBS excluding rates, insurance and early years funding | £3,495,000 | This is taken from the 2017 to 2018 financial year funding statement that the LA will send to the predecessor school in February 2017. |
| SBS per day amount | $£3,495,000 / 365 =$ £9,575.34 | This is the yearly SBS amount divided by the number of days in the year (365 days). |
| SBS prorated amount | $£9,575.34 \times 92 =$ £880,931.28 | This is the SBS daily amount multiplied by the number of days the school is open for (1 June 2017 to the end of the 2016 to 2017 academic year, 31 August 2017). See annex 1 for more information on the number of days used in this calculation. |

Table 10: the steps to calculate the SBS estimate

Estimating your other GAG funding

For ESG, sixth form funding, high needs place funding and start up grants, please see the [examples for academies opening before 1 April 2017](#).

Annex 1

Table 11 shows the number of days remaining in the 2016 to 2017 academic year for academies opening up to August 2017:

| Academy opening date | Days remaining |
|----------------------|----------------|
| 1 October 2016 | 335 |
| 1 November 2016 | 304 |
| 1 December 2016 | 274 |
| 1 January 2017 | 243 |
| 1 February 2017 | 212 |
| 1 March 2017 | 184 |
| 1 April 2017 | 153 |
| 1 May 2017 | 123 |
| 1 June 2017 | 92 |
| 1 July 2017 | 62 |
| 1 August 2017 | 31 |



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